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In the Supreme Court
OF THE
United States

OCTOBER TERM, 1963

No. 109

WILBUR-ELLIS COMPANY, et al.,
Petitioners,

vs.

MAX K. KUTHER,
Respondent.

On Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

BRIEF FOR PETITIONERS

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OPINIONS BELOW

The majority and minority opinions of the Court of Appeals for the Ninth Circuit (R.59-64) are published in 314 F.2d 71 and 136 USPQ 332. The opinion of the District Court for the Northern District of California (R.15-26) appears in 200 F.Supp. 841 and 131 USPQ 463.

JURISDICTION

The judgment of the Court of Appeals for the Ninth Circuit was entered on January 29, 1963 (R.65). A petition for a writ of certiorari was filed April 17, 1963, said petition having been filed within ninety days after the entry of the judgment of the Court of Appeals for the Ninth Circuit, as required by the United States Code, Title 28, Section 2101(c), 63 Stat. 104 (1949). Certiorari was granted on May 20, 1963 (R.66).

The jurisdiction of this Court rests upon the United States Code, Title 28, Section 1254(1), 62 Stat. 928 (1948).

The jurisdiction of this Court is invoked upon the ground that the United States Court of Appeals for the Ninth Circuit has decided an important question of federal law in a manner which defeats the policy of this Court of facilitating resistance to patent abuse and of striking down attempts to extend patent monopolies by way of attempts to obtain more than one royalty per patented item, and in deciding this important question of federal law the majority opinion of the Court of Appeals has misinterpreted and misapplied this Court's recent decision in *Aro Manufacturing Co., Inc. et al. v. Convertible Top Replacement Co., Inc.*, 365 U.S. 336 (1961).

A further ground on which the jurisdiction of this Court is invoked is that the Court of Appeals for the Ninth Circuit has failed in its duty to follow announced and reiterated policies or rules of decision of this Court, thereby calling for review and correction of the judgment of said Court of Appeals.

A further ground on which the jurisdiction of this Court is invoked is that the force and effect of the judgment of the Court of Appeals for the Ninth Circuit in this case is the conferring of a patent monopoly, contrary to the appropriate construction of 35 U.S.C. Section 271(a), which is totally in discord with the purposes and principles of Article I, Section 8, of the Constitution. The judgment of the Court of Appeals for the Ninth Circuit whereby such patent monopoly was conferred thus amounts to an unconstitutional construction of 35 U.S.C. Section 271(a).

This Court, in a consistent sequence of decisions concerning the scope of a monopoly accorded by the grant of letters patent, comprising this Court's decision in such cases as *Carbice Corp. v. American Patent Corp.*, 283 U.S. 27 (1931); *Leitch Mfg. Co. v. Barber Co.*, 302 U.S. 458 (1938); *Morton Salt Co. v. G. S. Suppiger Co.*, 314 U.S. 488 (1942); *B. B. Chemical Co. v. Ellis*, 314 U.S. 495 (1942); *Mercoid Corp. v. Mid-Continent Investment Co.*, 320 U.S. 661 (1944); *Mercoid Corp. v. Minneapolis-Honeywell Regulator Co.*, 320 U.S. 680 (1944); and *Aro Manufacturing Co., Inc. et al. v. Convertible Top Replacement Co., Inc.*, supra, has clearly indicated that a patent may not be employed as a lever whereby a scope of monopoly larger than and inappropriate with the monopoly accorded by the grant of the patent may be obtained. In such decisions as those handed down in these cited cases, this Court has clearly stated that the properly granted patent monopoly may not be employed to secure a further monopoly in either the supplies consumed in the operation of a

patented machine invention, or unpatented materials employed in a patented process invention, or in less than the entire patented entity for which the patent was granted. The judgment of the Court of Appeals for the Ninth Circuit amounts to a judicial conferment of patent monopoly over the unpatented fraction of the entity covered by the patent monopoly granted, and this constitutes a further ground on which the jurisdiction of this Court is invoked.

Still a further ground on which the jurisdiction of this Court is invoked is that the judgment of the court below is contrary to all constitutional or statutory authority for the reason that the effect of it has been to accord patent monopoly to that which does not amount to the discovery, or the contribution to the public in the sense of contributing to the advancement of the progress of science and the useful arts, of the respondent-inventor.

And finally, the making and selling of component parts for repair or replacement purposes with reference to machines and other entities consisting of combinations of elements amount to matters of considerable importance in the competitive economy of this country. To becloud the propriety of such making and selling of component parts for such purposes, and the necessary effect of the judgment of the Court of Appeals for the Ninth Circuit will be such, amounts to a restraint upon healthful competition for the reason that people engaged in such business enterprises will be hampered in their enterprise activities by the vagaries concerning the scope and extent of patent monopolies. This is a further ground on which the jurisdiction of this Court is invoked. It is hoped that by way

of the vehicle presented by the subject case, the aforementioned vagaries may be minimized to the advantage of the competitive economy of this country.

THE CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

Article I, Section 8, of the United States Constitution provides:

> "The Congress shall have power * * * to promote the progress of science and the useful arts by securing for limited times to authors and inventors, the exclusive right to their respective writings and discoveries."

35 U.S.C. Section 112, 66 Stat. 798 (1952), insofar as it is pertinent, provides:

> "The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention."

35 U.S.C. Section 271, 66 Stat. 811 (1952), insofar as it is pertinent, provides:

> "(a) Except as otherwise provided in this Title, whoever without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent."

35 U.S.C. Section 282, 66 Stat. 812 (1952), insofar as it is pertinent, provides:

> "The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:

(1) Noninfringement, absence of liability for infringement, or unenforceability,".

QUESTIONS PRESENTED

1. Whether the Court of Appeals could confer patent monopoly over some unpatented replacement parts, which together constituted substantially less than the overall combination of parts making up the patented entity, in view of the following statement by the Court in *Aro Manufacturing Co., et al. v. Convertible Top Replacement Co., Inc.*, supra, 365 U.S. at 345:

> "No element, not itself separately patented, that constitutes one of the elements of a combination patent is entitled to patent monopoly, however essential it may be to the patented combination and no matter how costly or difficult replacement may be."

2. Whether the conferring by the Court of Appeals of patent monopoly over some unpatented replacement parts is authorized by Article I, Section 8 of the Constitution when said unpatented replacement parts do not amount, either singly or all together, to the discovery of an inventor.

3. Whether a patented entity, once released from the patent, ceases to exist and becomes a new entity which can infringe the patent when it is modified solely in characteristics which are not recited in the claims of the patent.

4. Whether this Court in *Aro*, supra, inferentially affirmed, as contended by the majority opinion of the Court of Appeals below (R.61-62), that the replacement of sub-

stantially less than all of the separately unpatented parts of a patented combination, or entity, by one rightfully in possession of the entity amounts to infringement of the patent covering the entity when the parts so replaced differ in size from the original parts.

5. Whether, on the one hand, it constitutes patent infringement to replace substantially less than the entirety of the separately unpatented parts of a patented combination where the replacement parts are different in size from the original parts, while, on the other hand, and as admitted in the majority opinion of the Court of Appeals (R.62) in affirming a like admission by the District Court (R.24; Finding of Fact No. 16 at R.30), it would not have constituted patent infringement if the replacement parts were similar in size to the original parts.

6. Whether a substantive distinction between permissible repair and impermissible repair, or reconstruction, turns upon whether or not the patented entity is restored to its original condition. This question is raised because the courts below in the subject case attached a controlling significance to the fact that the petitioners did not restore the machines to their original condition (e.g., R.19, second full paragraph), while it appears from the opinion of the Court in *Aro* taken together with the record and briefs in *Aro* that this Court attached no significance to whether or not the patented entity had been restored to its original condition, e.g.:

> "Q. I believe we can get into this question of installation later on, but to revert for the moment to something you did say, you said that no trim man would take the time or the trouble to install one of

your tops the same way that it had been installed in the factory?

A. Another correction. He could not install it like the factory because we don't make it the same way." (*Aro*, R. Vol. III, page 630)

"To term Aro's operation 'replacement' is a misnomer. Aro's 'replacement' tops, although having the unique Mackie-Duluk shape, otherwise always differed in style, construction, and mode of installation from original tops. Moreover, in 'replacing' an original top with an Aro top of the new Mackie-Duluk shape, Aro sometimes added structural elements not present originally; and in other cases, removed perfectly good structural elements from the car. As a result, Aro's replacement operations, far from restoring the car to its original condition, actually resulted in formation of a 'new article' so distinct that it could be distinguished from original and other replacement tops 'two streets away'." (Aro, Respondent's Brief, page 6, Section IIa)

"The record further shows that Aro's seven specially designed fabrics, although embodying the heart of the invention, i.e., the unique Mackie-Duluk shape, did not otherwise correspond to the original fabrics on cars for which they were designed; and the seven Aro fabrics here involved differed in style, construction and method of installation from the original fabrics (R.624, 626, 628-33, 640-1) to such an extent that when installed, they could be distinguished from original and other replacement tops 'two streets away' (R.631). One purchasing one of these seven fabrics for installation on his car, thus ended up with a structure which was always *different* from his original structure, namely Aro's *own distinctive version* of Mackie-Duluk." (Aro, Respondent's Brief, page 29)

STATEMENT OF THE CASE

Respondent, Kuther (plaintiff-appellee below), is the owner of United States Letters Patent No. 2,452,666 for a combination of elements forming a Fish Canning Machine (District Court Findings of Fact Nos. 4 and 5, R.26-27; R.59). Letters Patent No. 2,452,666 (Pl. Exhibit 1), the patent in suit, is reproduced at R.39-44. Respondent and his co-inventor, James Leonard Smith, are the co-patentees with respect to said patent (Pl. Ex. 1; R.39), but since 1956 the respondent has been the sole owner of said patent (Finding of Fact No. 4, R.26-27).

A number of machines covered by this patent were manufactured and sold under authorization of the respondent (Finding of Fact No. 6, R.27; Finding of Fact No. 12, R.29). Among these machines were the four machines in suit, each of them having been purchased by the petitioner, Wilbur-Ellis Company (Finding of Fact No. 13, R.29; Finding of Fact No. 17, R.30). Each of the four machines sold for between $8,000.00 to $10,000.00 when new, and respondent had been paid a royalty of $1,500.00 per machine (R.59).

As originally constructed these four machines operated to pack fish into cans which were 3 inches in diameter and four and 11/16 inches high (R.59.) Cans of this size are known in the trade as "1-pound" cans (R.59).

Three of the four machines had been exposed to the weather, thus causing them to be corroded, or rusted, and inoperative in the condition in which they were acquired by Wilbur-Ellis Company (Finding of Fact No. 13, R.29). The fourth machine was also inoperative in the

condition in which it was acquired by Wilbur-Ellis Company, requiring cleaning and sandblasting to remove the corrosion from the machine and thereby render it operable (R.60; Pl. Ex. 10, R.46).

Petitioner, Wilbur-Ellis Company, hired petitioner, Alfred Leuschner, to put the machines in condition so they would operate (Finding of Fact No. 14, R.29) and also to re-size six (Findings of Fact No. 17 and 18, R.30-31) of the thirty-five elements, which thirty-five elements, said the Court of Appeals (R.61), when combined together made up the patented combination, or entity. The re-sizing of these six elements was for the purpose of enabling the four machines to operate to pack fish into smaller cans which are known as "5-ounce" cans, i.e., cans 2⅛ inches in diameter and 3½ inches long (R.60).

Employing the reference numerals which are used in the patent in suit (Pl. Ex. 1, R.39-44) to designate the various elements of the patented machine, what was done to modify or change the six out of thirty-five elements constituting the patented machine was as follows (R.45-49):

1. The plungers 28 were machined down from 3 inch to 2⅛ inch diameter;

2. The fish receivers 15 were provided with inserts to thereby reduce their diameters and render them compatible with the new and smaller diameters of the plungers;

3. The compression members 19 were likewise provided with inserts, thereby reducing their diameters and rendering them compatible with the new and smaller diameters of the plungers;

4. The back-up rail 34 for the cans was moved in closer toward the center of rotation of the rotating table system to compensate for the shorter length of the 5-ounce can, as compared with the 1-pound size can;

5. A new can track 27 was installed in place of the rusted old track, and the new track was provided with smaller indentations 27′ into which the 5-ounce size cans would fit;

6. And the can chute 26 was narrowed to properly accommodate the diameter of the smaller 5-ounce cans.

The original plungers were so corroded that they could be rendered operable only by grinding them down to a size suitable for use with the smaller 5-ounce cans (Findings of Fact No. 14, R.29-30). The remaining five of the six modified elements out of the total of thirty-five elements making up the patented machine were changed in either size or location to also suit them for the handling of the 5-ounce size cans (R. 61).

Both the District Court and the Court of Appeals, the latter by a two to one decision, held that if the work done by Leuschner to put the four machines into operating condition had not involved a modification of the six elements as to size or location, there would have been no infringement by way of reconstruction (Findings of Fact No. 16, R.30; R.62). But, said both of the courts below, infringement by way of reconstruction resulted when the six original elements were modified as to either size or location (Findings of Fact No. 21, R.31; R.62). Both of

the courts below agreed that if the six modified elements had instead been replaced with new elements corresponding in size and location to their original counterparts, there would have been no infringement, but only permissible repair (R.24; R.62).

The majority and dissenting opinions of the Court of Appeals each rely on the opinion of this Court in *Aro*, supra.

The Court of Appeals did not mention the constitutional problem. The attention of the Court of Appeals was not directed by the petitioners to this constitutional question, i.e., as to whether or not it amounted to an unconstitutional construction by the Court of Appeals of 35 U.S.C. § 271(a) by the conferring by the Court of Appeals of patent monopoly over the separately unpatented, both singly and collectively, six canning machine parts which were modified either as to size or as to location by petitioners.

The basis for federal jurisdiction in the court of first instance was afforded by the patent laws of the United States (35 U.S.C. § 281, 66 Stat. 812) and the jurisdictional provisions [28 U.S.C. § 1338(a), 62 Stat. 931] appertaining to civil actions for patent litigation.

SUMMARY OF ARGUMENT

Our argument for reversal and a remand of the cause with instructions to dismiss the complaint is, in summary, as follows:

Where, as here, a patented entity has not ceased to exist and is therefore admittedly restorable to its original operating condition without there being a reconstruction, or impermissible repair, the restoration of the entity to an operating condition wherein some of the parts, which both singly and collectively are unpatented, differ in size or location from the original parts does not amount to infringement.

Where the rightful owner of a patented entity changes a characteristic (e.g., size of can filled) of the entity, where that characteristic is not recited in any of the claims of the patent, the act of changing that characteristic cannot itself constitute a recreation of the entity into a new and different entity which infringes the patent.

To classify, as here, such a restoration of a patented entity to an operating condition as an infringement by way of reconstruction is to do violence to the constitutional purpose of securing to inventors the exclusive right to their discoveries, and such a classification is contrary to the patent laws which merely subserve this constitutional purpose.

Where the patented entity is, as here, a combination of elements, the classification of such a restoration as an infringement by way of reconstruction is to confer patent monopoly upon that which is not the discovery of the inventor. Such amounts to a reaping by the inventor

where he has not sown and such reaping is at the expense of the public interest against unrightful monopoly and is an encroachment on the public domain. A judicial conferring of such patent monopoly is premised either upon the misconception that there is a legally recognizable "essence", "gist", or "heart" of the invention in a combination patent or that a substantial change in the identity of such an invention is equivalent to the recreation of the patented entity.

Where, as here, there has been an unconditional sale of a patented entity, the entity has been irrevocably released from control of the patent and acquires the very same status as any other species of personal property in the hands of its owner. A judicial enablement of recapture of the entity under the patent bespeaks a judicial misconception that the rights in personal property released from a patent monopoly are limited in nature in comparison with rights in personal property which did not come into existence under a patent monopoly.

ARGUMENT

I. THE COURTS BELOW FOLLOWED FALSE STANDARDS IN THEIR DETERMINATIONS AS TO WHETHER THE PETITIONERS MERELY REPAIRED THE MACHINES OR RECONSTRUCTED THEM.

Both the District Court and the Court of Appeals held that the four machines would have been merely repaired, and not reconstructed, if they had been merely cleaned up and if their worn parts had been replaced with new parts which corresponded in size and location to the

original parts. Both of the courts below thereby clearly indicated that the four machines constituting the patented entity had not ceased to exist from the standpoint of lacking a remaining usefulness. In short, the four machines were not spent.

In restoring the four machines to a condition of usefulness, the petitioners resized or relocated six out of the thirty-five elements making up the patented entity. No one of these six elements or any combination of the six is patented, and together these six elements constitute substantially less than the patented entity defined by any one of the five claims (Pl.Ex.1, R.44) of the patent in suit.

In *Aro*, supra, this Court in its opinion stated:

> "While there is language in some lower court opinions indicating that 'repair' or 'reconstruction' depends upon a number of factors, it is significant that each of the three cases of this Court, cited for that proposition, holds that a license to use a patented combination includes the right 'to preserve its fitness for use so far as it may be affected by wear or breakage.' Leeds & Catlin Co. v. Victor Talking Machine Co., 213 U.S. 325, 336; Heyer v. Duplicator Manufacturing Co., supra, 263 U.S. at page 103; and Wilson v. Simpson, supra, 9 How. at page 123. We hold that maintenance of the 'use of the whole' of the patented combination through replacement of a spent, unpatented element does not constitute reconstruction." (365 U.S. at pages 345-6)

The Court in its opinion then announced the rule of decision of *Aro*, as follows:

> "The decisions of this Court require the conclusion that reconstruction of a patented entity, comprised of

unpatented elements, is limited to such a true reconstruction of the entity as to 'in fact make a new article,' United States v. Aluminum Co. of America, supra, 148 F.2d at page 425, after the entity, viewed as a whole, has become spent. In order to call the monopoly, conferred by the patent grant, into play for a second time, it must, indeed, be a second creation of the patented entity, as, for example, in American Cotton Tie Co. v. Simmons, supra. Mere replacement of individual unpatented parts, one at a time, whether of the same part repeatedly or different parts successively, is no more than the lawful right of the owner to repair his property. Measured by this test, the replacement of the fabric involved in this case must be characterized as permissible 'repair,' not 'reconstruction.' " (365 U.S. at page 346)

In view of this rule laid down by this Court, it is not proper for a federal court of lower level to conclude that there has been an infringement of a patented entity where the patented entity has been restored to a condition of usefulness wherein some of the unpatented parts have been modified from such standpoints as size, location, shape or construction, particularly when the issue before this Court in *Aro*, involved such relative matters as change of shape and change of construction.

The characteristics of size, location, shape and construction which petitioners changed in these machines were not recited in the claims of respondent's patent. Neither did the claims recite the size of can which would be filled by the machines. Thus, petitioners did not change any characteristic of the machines which the patent claims stated to be a definitive characteristic of the invention, and

hence petitioners' changes did not alter the identities of the machines as embodiments of the invention.

II. THE HOLDINGS OF INFRINGEMENT BY THE COURTS BELOW ARE CONTRARY TO THE PATENT LAWS AND TO THAT PART OF THE CONSTITUTION WHICH THEY SUBSERVE, AND THEY ARE AGAINST THE PUBLIC INTEREST AND AMOUNT TO AN ENCROACHMENT ON THE PUBLIC DOMAIN.

Article I, Section 8 of the United States Constitution provides:

> "The Congress shall have power—To Promote the Progress of Science and Useful Arts by securing for limited Times to Authors and Inventors, the exclusive Right to their respective Writings and Discoveries."

It is under this constitutional provision that Sections 112 and 271 of Title 35, United States Code, have been enacted. That portion, supra, of Section 112 which is pertinent here, requires that the applicant for a patent particularly point out and distinctly claim the subject matter which he regards as his invention. That portion of Section 271, supra, which is pertinent here provides that he infringes a patent who without authority makes, uses or sells the patented invention in this country during the term of the patent.

The essential question presented is whether the petitioners have made the combination of elements constituting the patented entity defined by any one of the claims of the patent in suit. It is only with respect to the overall entity defined by the claims directed to a com-

bination of elements that there can be an exclusive right secured to the respondent to his discovery or invention under the above-quoted constitutional provision and the subservient provisions of Sections 112 and 271 of the patent laws referred to above. The holdings of the courts below of infringement by way of reconstruction are in opposition to the constitutional purpose for securing to inventors the exclusive right to their discoveries. The discovery or the invention of the respondent did not reside in the six elements of the thirty-five elements of the patented entity which were replaced, and much less did the respondent's discovery or invention reside in size or location characteristics of these six elements, or size of the commodity on which the machine operated. By conferring patent monopoly upon these six elements, the courts below have, in effect, unconstitutionally construed Sections 112 and 271, thereby achieving the opposite of the promotion of the progress of science and useful arts.

As this Court observed in *Mercoid Corp. v. Mid-Continent Investment Co.*, supra, 320 U.S. at 666:

> "The patent is a privilege. But it is a privilege which is conditioned by a public purpose. It results from invention and is limited to the invention which it defines."

It follows that when, as here, the effect of a court's holding is to accord to a patentee a privilege which is not conditioned by the public purpose of promoting the progress of science and useful arts because the privilege is not limited to the invention which the patent defines, the result is at the expense of the public interest against

unrightful monopoly and is an encroachment on the public domain.

A judicial conferring, such as that by the Court of Appeals here, of patent over-monopoly is premised either upon the misconception that there is a legally recognizable "gist" or "heart" of the invention in a combination patent or that a substantial change in the identity of such an invention, from such standpoints as changes in size, location or shape of the unpatented components of the invention, or articles acted upon by the invention, is equivalent to the recreation of the patented entity. Neither of these misconceptions should be permitted to have a basis for continued existence in view of *Aro*, supra, ie.:

> "The basic fallacy in respondent's position is that it requires the ascribing to one element of the patented combination the status of patented invention in itself. Yet this court has made it clear in the two Mercoid cases that there is no legally recognizable or protected 'essential' element, 'gist' or 'heart' of the invention in a combination patent." (365 U.S. at pages 344-5)
>
> "The decisions of this Court require the conclusion that reconstruction of a patented entity, comprised of unpatented elements, is limited to such a true reconstruction of the entity as to 'in fact make a new article,' United States v. Aluminum Co. of America, supra, 158 F.2d at page 425, after the entity, viewed as a whole, has become spent." (365 U.S. at page 346)

The basis of the majority opinion of the Court of Appeals is compounded with both of these misconceptions, and as a result of this it has equated the making of a

patented combination entity with the lack of precise identity between original parts and substituted parts with reference to substantially less than all of the parts making up the patented entity.

In doing so, the majority opinion of the Court of Appeals relies (R.63) upon such cases as *George Close Co. v. Ideal Wrapping Mach. Co.*, 29 F.2d 533 (CCA 1, 1928); *Miller Hatcheries, Inc. v. Buckeye Incubator Co.*, 41 F.2d 619 (CCA 8, 1930); and *Cinema Patents Co., Inc. v. Columbia Pictures Corp.*, 62 F.2d 310 (CCA 9, 1932). Insofar as these cases can be considered to be in point with respect to the facts of the subject case, they are in conflict with the constitutional standards as to the metes and bounds of patent monopolies set forth by this Court in the two *Mercoid* cases and in *Aro*, supra.

The respondent's effort, thus far judicially sanctioned by the courts below, to expand the scope of his patent monopoly to embrace the six unpatented elements of a substantially greater number of elements making up the patented combination of elements furthermore flies in the face, at least in principle, of what this Court had to say in *Mercoid Corp. v. Mid-Continent Investment Co.*, supra:

> "Mr. Justice Brandeis, speaking for the Court, stated in the Carbice case that 'control over the supply of such unpatented material is beyond the scope of the patentee's monopoly; and this limitation, inherent in the patent grant, is not dependent upon the peculiar function or character of the unpatented material or on the way in which it is used.' 283 U.S. p. 33. We now add that it makes no difference that the unpatented device is part of the patented whole." (320 U.S. at page 667)

"Ever since Henry v. A. B. Dick Co., 224 U.S. 1, was overruled by Motion Picture Co. v. Universal Film Co., 243 U.S. 502, this court has consistently held that the owner of a patent may not employ it to secure a limited monopoly of an unpatented material used in applying the invention. Carbice Corp. v. American Patents Corp., supra; Leitch Mfg. Co. v. Barber Co., supra; Morton Salt Co. v. G. S. Suppiger Co., 314 U.S. 488; B. B. Chemical Co. v. Ellis, 314 U.S. 495. In those cases both direct and contributory infringement suits were disallowed on a showing that the owner of the patent was using it 'as the effective means of restraining competition with its sale of an unpatented article.' Morton Salt Co. v. G. S. Suppiger Co., supra, p. 490. The Court has repeatedly held that to allow such suits would be to extend the aid of a court of equity in expanding the patent beyond the legitimate scope of its monopoly. It is true that those cases involve the use of the patent for a machine or process to secure a partial monopoly in supplies consumed in its operation or unpatented materials employed in it. But we can see no difference in principle where the unpatented material or device is itself an integral part of the structure embodying the patent." (320 U.S. at pages 664-5)

Although the question of patent misuse has not been included among the questions presented to this Court by way of the petition for certiorari, each of the petitioners set forth the affirmative defense of patent misuse in the answers to the complaints (R.8; R.14).

III. THE HOLDINGS OF THE COURTS BELOW ARE NOT ONLY CONTRARY TO THE PATENT LAWS BUT CONTRARY TO THE POLICIES OF THE GENERAL LAW.

It is not inappropriate to consider that a patent monopoly is three-dimensional in the sense that it is delimited as to time, place and scope. Article I, Section 8 of the Constitution authorizes the grant of such a monopoly for only a limited time. As to place, the patent monopoly is limited to the United States (35 U.S.C. § 271(a), supra). As to scope, the patent monopoly is limited to the actual discovery or invention made by the inventor (U.S. Constitution, Article I, Section 8, supra).

When a patented entity has been fully released from the patent monopoly, as by an unconditional sale by one who had authority to make such a sale, as here, the entity has been irrevocably released from the monopoly from each of these three standpoints of time, place and scope. There can be no justification for distinguishing between the absoluteness of release from the patent monopoly as between these three factors. While the lower federal courts have made such attempts, this Court has not.

In the early case of *Chaffee v. Boston Belting Co.*, 22 How. (63 U.S.) 217 (1859), this Court reiterated the rule, which it had set forth in earlier cases, that an extension or renewal of the term of a patent which was permitted under the Patent Act of 1836 did not entitle the owner of the renewed patent to recapture within the renewed patent monopoly a patented entity which had been released from the patent monopoly of the initial patent, stating:

"When the patented machine rightfully passes to the hands of the purchaser from the patentee, or from any other person by him authorized to convey it, the machine is no longer within the limits of the monopoly. According to the decision of this court in the cases before mentioned, it then passes outside of the monopoly, and is no longer under the peculiar protection granted to patent rights. By a valid sale and purchase, the patented machine becomes the private individual property of the purchaser, and is no longer protected by the laws of the United States, but by the laws of the State in which it is situated. Hence it is obvious, that if a person legally acquires a title to that which is the subject of letters patent, he may continue to use it until it is worn out, or he may repair it or improve upon it, as he pleases, in the same manner as if dealing with property of any other kind." (63 U.S. at page 223)

In *Adams v. Burke*, 17 Wall. (84 U.S.) 453 (1873), this Court was faced with the question as to whether a patented entity which had been released from the patent monopoly could be recaptured within the monopoly with reference to the factor of place or locale for use. The patent owner had extended a territorial grant limited to the circle of ten miles around Boston to the vendor of the patented entity in question, the vendor having the right to make, sell and use the entity only within the prescribed territory. The vendee of the patented entity made use of it outside of the prescribed territory. In holding that the sale of the patented entity released it from the patent monopoly for use anywhere in the country, the Court also stated:

"We have repeatedly held that where a person has purchased a patented machine of the patentee or his assignee, this purchase carried with it the right to the use of that machine so long as it was capable of use, and that the expiration and renewal of the patent, whether in favor of the original patentee or of his assignee, did not affect this right. The true ground on which these decisions rest is that the sale by a person who has the full right to make, sell and use such a machine carries with it the right to the use of that machine to the full extent to which it can be used in point of time."

In *Davis Electrical Works v. Edison Electric Light Co.*, 60 Fed. 276 (CCA 1, 1894), the court had the following to say with respect to the above-quoted excerpt from *Chaffee* (at pages 278-279):

"This, and other expressions of like character in the decisions of the supreme court as in Adams v. Burke, 17 Wall. 453, and Hobbie v. Jennison, 149 U.S. 355, 13 Sup.Ct. 879, are, however, of a general nature and were made with reference to the interests of the purchaser of a patented device as against an extension of the patent, or with reference to territorial rights. Out of this rule, however, flows the right of repair, on which the appellants rely; yet in no case has the supreme court held that this right is absolute and universal, or that it may not be limited by express or implied restrictions entering into the transaction of the sale of the patented machine or device. Expressions the other way may be found in Wilson v. Simpson, 9 How. 109, 125; Adams v. Burke, 17 Wall. 453, 457; and Hobbie v. Jennison, 149 U.S. 355, 363, 364, 13 Sup.Ct. 879."

However, in *Aro*, supra, this Court has clearly indicated its view that the right to repair is essentially absolute by holding that there can be no infringement by reconstruction unless there is a recreation of the patented entity. Thus, *Aro* proscribes attempts to enhance a patent monopoly from the reference point of scope, or the actual discovery or invention of the patent owner, just as *Adams* proscribes an attempt to expand the patent monopoly with reference to place and territory and just as such a case as *Chaffee* proscribes attempts to expand the patent monopoly with respect to the factor of time.

The holdings of the courts below are inherently based on the misconception that the rights in personal property released from a patent monopoly are limited in nature in comparison with rights in personal property which did not come into existence under the patent monopoly. This is clearly indicated by the significance attached by the courts below to the fact that some of the elements of the patented entity were changed with respect to size or location and to the fact that the District Court was concerned with the patentee's rights to refrain from manufacture of machines to handle other sizes or for other purposes (R.18-19).

That such significance should not have been attached to these factors was indicated many years ago by this Court in *Motion Picture Patents Co. v. Universal Film Mfg. Co. et al.*, 243 U.S. 502, 514 (1917):

> "This decision proceeds upon the argument that, since the patentee may withhold his patent altogether from public use, he must logically and necessarily be permitted to impose any conditions which he chooses

upon any use which he may allow of it. The defect in this thinking springs from the substituting of inference and argument for the language of the statute and from failure to distinguish between the rights which are given to the inventor by the patent law and which he may assert against all the world through an infringement proceeding and rights which he may create for himself by private contract, which, however, are subject to the rules of general as distinguished from those of the patent law. While it is true that under the statutes as they were (and now are) a patentee might withhold his patented machine from public use, yet if he consented to use it himself or through others, such use immediately fell within the terms of the statute and as we have seen he is thereby restricted to the use of the invention as it is described in the claims of his patent and not as it may be expanded by limitations as to materials and supplies necessary to the operation of it imposed by mere notice to the public."

Since the invention of respondent's patent is not described in the claims of the patent with reference to any particular can sizes, and since the machines in question had been fully released from the patent monopoly, the respondent having obtained a substantial consideration for such release, the sole appropriate question presented to the courts below was whether the machines had lost all of their usefulness. If the courts below had so held, it would have then followed that the activities of the petitioners amounted to a recreation of the patented entity. Having held that the machines were still useful, the courts below should have further held that the petitioner, Wilbur-Ellis Company, was free to employ their full usefulness.

including modifying the machines to handle cans of different size if their remaining usefulness lay in that direction, just as with any other species of personal property.

CONCLUSION

Respondent has attempted, successfully thus far, to extract a second consideration, or royalty, from the machines of the petitioners. Such an attempt is contrary to the purpose of the constitutional provision relating to the rewarding of inventors and is therefore against the public interest by way of amounting to an encroachment upon the public domain.

Wherefore, petitioners request that this Court reverse the courts below, and remand this action to the District Court with directions that the respondent's complaint be dismissed.

Respectfully submitted,

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